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UNITED STATES DEPARTMENT OF AGRICULTURE  
AGRICULTURAL ADJUSTMENT ADMINISTRATION

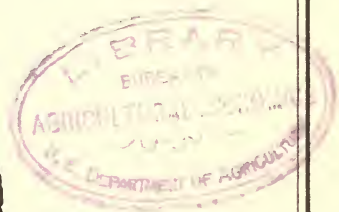
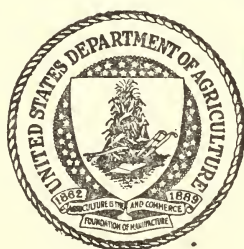
CODE OF FAIR COMPETITION SERIES—CODE No. 16

CODE OF FAIR COMPETITION  
FOR  
THE WHEAT FLOUR MILLING  
INDUSTRY

Approved by the President of the United States  
June 9, 1934

Effective June 13, 1934

1. Executive Order  
2. Letter of Transmittal (Secretary of Agriculture)  
3. Letter of Transmittal (Administrator, N.R.A.)  
4. Code



UNITED STATES  
GOVERNMENT PRINTING OFFICE  
WASHINGTON : 1934



## EXECUTIVE ORDER

### APPROVAL OF CODE OF FAIR COMPETITION FOR THE WHEAT FLOUR MILLING INDUSTRY

*Whereas*, the Secretary of Agriculture and the Administrator for Industrial Recovery having rendered their separate reports and recommendations and findings on the provisions of said Code, coming within their respective jurisdictions, as set forth in Executive Order No. 6182 of June 26, 1933, as supplemented by Executive Order No. 6207 of July 21, 1933, and Executive Order No. 6345 of October 20, 1933, as amended by Executive Order No. 6551 of January 8, 1934;

*Now, therefore*, I, FRANKLIN D. ROOSEVELT, President of the United States, pursuant to the authority vested in me by Title I of the National Industrial Recovery Act, approved June 16, 1933, and otherwise, do hereby find:

1. An application has been duly made, pursuant to and in full compliance with the provisions of Title I of the National Industrial Recovery Act, approved June 16, 1933, for my approval of a Code of Fair Competition for the Wheat Flour Milling Industry; and,

2. Due notice and opportunity for hearing to interested parties have been given pursuant to the provisions of the Act and regulations thereunder; and,

3. Hearings have been held on said Code, pursuant to such notice and pursuant to the pertinent provisions of the Act and regulations thereunder; and,

4. Said Code of Fair Competition constitutes a code of fair competition, as contemplated by the Act and complies in all respects with the pertinent provisions of the Act, including clauses (1) and (2) of subsection (2) of section 3 of Title I of the Act; and,

5. It appears, after due consideration, that said Code of Fair Competition will tend to effectuate the policy of Congress as declared in section 1 of Title I of the Act.

*Now, therefore*, I, FRANKLIN D. ROOSEVELT, President of the United States, pursuant to the authority vested in me by Title I of the National Industrial Recovery Act, approved June 16, 1933, and otherwise, do hereby approve said Code of Fair Competition for the Wheat Flour Milling Industry: *Provided, however*, That the provisions of section 3 of article VII shall not become effective, and they are hereby stayed for a period of twenty days to afford consideration to the objections of any interested parties and that, at the expiration of such period, the provisions of such section shall become effective unless I shall otherwise order; *and provided, further*, That the provisions of section 4 of article VII are hereby stayed pending the further order of the Secretary of Agriculture, and that the provisions of article IX shall not become effective except at such times as the Secretary of Agriculture determines and declares in

writing, after adequate investigation, that an emergency exists in the wheat flour milling industry, and then only for such periods of time and to the extent that the provisions of such article are found by the Secretary to be necessary to meet the circumstances of such emergency.

  
*President of the United States.*

THE WHITE HOUSE,  
*June 9, 1934.*

# AGRICULTURAL ADJUSTMENT ADMINISTRATION

## LETTER OF TRANSMITTAL

JUNE 9, 1934.

The PRESIDENT,  
*The White House.*

DEAR MR. PRESIDENT: I have the honor to submit the following:

1. There is transmitted herewith a Code of Fair Competition for the Wheat Flour Milling Industry, which the National Recovery Administrator recommends for your approval with respect to the labor provisions thereof and as indicated in paragraph 2 hereof; as to other provisions I recommend the same for your approval.

2. There accompanies the Code the report of the Administrator of the Agricultural Adjustment Act, the report of the Administrator of Title I of the National Industrial Recovery Act, and a true, correct, and complete stenographic report of all evidence introduced at a public hearing on said Code, held pursuant to section 3 (a), Title I of the National Industrial Recovery Act.

3. By virtue of Executive Order No. 6182, of June 26, 1933, as supplemented by Executive Order No. 6207, of July 21, 1933, and Executive Order No. 6345, of October 20, 1933, as amended by Executive Order No. 6551, of January 8, 1934, which, pursuant to Title I of the National Industrial Recovery Act of June 16, 1933, (Public No. 67, 73d Congress) delegated to me, as Secretary of Agriculture, certain of the powers vested in the President of the United States by the aforesaid Act, and after considering the aforesaid Code of Fair Competition and a true, correct, and complete stenographic report of all evidence introduced at such public hearing, and being fully advised in the premises, I make the following findings:

1. That an application has been duly made by a committee selected at a meeting of members of the Wheat Flour Milling Industry, pursuant to and in full compliance with the provisions of Title I of the National Industrial Recovery Act, approved June 16, 1933, for the approval of the President, of the Code of Fair Competition for the Wheat Flour Milling Industry. Said Committee selected at such meeting is truly representative of the industry. No inequitable restrictions on admittance to, nor on voting at, the meeting of the industry which created the Code Committee, were imposed by the sponsors. The members of the temporary Code Authority named in the Code are truly representative of the industry.

2. That the Wheat Flour Milling Industry, covered by such Code, is included within the trades, industries, or subdivisions thereof enumerated in Section II of Executive Order No. 6551, of January 8, 1934 (amending Executive Order No. 6182, of June 26, 1933, as supplemented by Executive Order No. 6207, of July 21, 1933, and Executive Order No. 6345, of October 20, 1933).

3. That the provisions of the Code establishing standards of fair competition (a) are regulations of transactions in or affecting the current of interstate and/or foreign commerce and (b) are reasonable.

4. That the Code is not designed to promote monopolies or to eliminate or oppress small enterprises and will not operate to discriminate against them and will not permit monopolies or monopolistic practices.

5. That the Code will not prevent an individual from pursuing the vocation of manual labor and selling or trading the products thereof nor prevent anyone from marketing or trading the produce of his farm.

6. That due notice and opportunity for hearing, in connection with the aforesaid Code, has been afforded interested parties in accordance with Title I of the National Industrial Recovery Act and applicable regulations issued thereunder. The provisions of Section 3 of Article VII of the Code have been added since the date of the public hearing. It is recommended that the provisions of this Section shall not become effective for a period of twenty days after the approval of the Code, to afford consideration of the objections of any interested parties. It is further recommended that the provisions of Section 4 of Article VII, prohibiting the use of premiums, be stayed pending your further order. This is in accord with action taken by the Administrator for Industrial Recovery with respect to similar provisions of other codes under his jurisdiction.

7. That said Code will tend to effectuate the declared policy of Title I of the National Industrial Recovery Act as set forth in Section 1 of said Act in that the terms and provisions of such Code tend to: (a) remove obstructions to the free flow of interstate and foreign commerce which tend to diminish the amount thereof; (b) to provide for the general welfare by promoting the organization of industry for the purpose of cooperative action among trade groups; (c) to eliminate unfair competitive practices; (d) to promote the fullest possible utilization of the present productive capacity of industries; (e) to avoid undue restriction of production (except as may be temporarily required); (f) to increase the consumption of industrial and agricultural products by increasing purchasing power, and (g) otherwise to rehabilitate industry and to conserve natural resources.

8. That said Code, when approved by the President, will constitute a Code of Fair Competition for the Wheat Flour Milling Industry within the meaning of Section 3 (a) of Title I of the National Industrial Recovery Act.

9. It is recommended that the provisions of Article IX, prohibiting sales below stop-loss, be stayed until such time as an emergency is declared to exist in the Wheat Flour Milling Industry. This is in accord with the policy of the National Recovery Administration, as recently announced.

Respectfully,

*R. G. Tugwell*

*Acting Secretary.*

# NATIONAL RECOVERY ADMINISTRATION

## LETTER OF TRANSMITTAL

The PRESIDENT,  
*The White House.*

SIR: This is the report of the Administrator on the public hearing of the labor provisions of the Code of Fair Competition for the Wheat Flour Milling Industry of the United States, conducted on January 15, 16, 17, 1934, in accordance with the provisions of the National Industrial Recovery Act and the Executive order dated June 26, 1933.

### GENERAL

The functions of this industry include the business of grinding wheat for the purpose of manufacturing and/or sale of wheat flour and millfeed.

The Code Committee representing this industry testified at the formal hearing as having received the necessary authority and proper instructions to represent the industry and that it was truly representative.

Grain-milled products are produced by both custom mills and commercial mills. Between 90 and 95 percent of the total production is produced by the commercial mills which ordinarily buy their grain on the open market.

This industry as to production plants is made up as follows:

Description	Number of mills	Daily 24-hour capacity
300 barrels and over.....	520	627, 830
100 barrels to 299 barrels.....	728	105, 764
Under 100 barrels.....	2, 528	115, 530
Total.....	3, 776	848, 624

NOTE.—Source: Northwestern Miller Handbook No. 49-1932. Since this compilation it is estimated that approximately 150,000-barrel capacity has either been shipped or idle.

Annual flour production is steadily decreasing, as evidenced by the following figures:

Crop year (July 1 to June 30):

	Round figures (barrels)
1931-32 .....	115, 000, 000
1932-33 .....	102, 000, 000
1933-34 (estimated) .....	95, 000, 000

The ten-year average production, including the crop year 1932-33, totals 108,000,000 barrels annually. Consequently, an estimated reduction for the year 1933-34 is 13,000,000 barrels, or 12½ percent.

Annual flour consumption per capita is decreasing. For the crop year 1913-14 the per capita consumption was 1.038 barrels and for the 1931-32 crop year 0.84 barrel, or a decrease of 0.198 or approximately one-fifth of a barrel.

Based on the latest population of 120,000,000 inhabitants, this means an approximate loss of 24,000,000 barrels.

The per capita consumption decrease is due in part to competing food products.

The above consumption figures were taken from Leland Stanford University Wheat Studies, Volume 10, Number 3, December, 1933.

Further decreased production in part is accounted for by decreased exports. The following figures illustrate this industry's export position:

Crop year:	Exports (barrels)	Crop year—Continued.	Exports (barrels)
1912-13-----	11, 000, 000	1923-24-----	17, 000, 000
1917-18-----	23, 000, 000	1924-25-----	14, 000, 000
1918-19-----	29, 000, 000	1931-32-----	8, 000, 000
1919-20-----	21, 000, 000	1932-33-----	6, 000, 000
1922-23-----	15, 000, 000	1933-34 (estimated)--	4, 000, 000

Decreased exports in part are accounted for by the low world wheat prices, with which the domestic wheat prices are not competitive.

### WAGES AND EMPLOYMENT

Complete and up-to-date wage and employment statistics are not available.

Based on a questionnaire sent out by the industry to its members, statistics from 88 mills representing an annual production of between 22,000,000 and 23,000,000 barrels (approximately one-fourth of the estimated 1934 crop-year production) and covering every section of the country, disclose the following facts for the last six months of the years 1932 and 1933:

TABLE I.—*Mill and Elevator Employees*

1. An increase over the 1932 period of 9.27 percent in the number of employees.
2. An increase over the 1932 period of 16.2 percent in the average hourly rate of pay.
3. A decrease from 1932 of 20 percent in the average number of hours worked per week.

TABLE II.—*Warehouse and Delivery Employees*

1. An increase over the 1932 period of 10 percent in the number of employees.
2. An increase over the 1932 period of 14.2 percent in the average hourly rate of pay.
3. A decrease from 1932 of 17.8 percent in the average number of hours worked per week.

TABLE III.—*Office and Clerical Employees*

1. No increase over the 1932 period in the number of employees.
2. An increase over the 1932 period of 2.85 percent in the average hourly rate of pay.
3. A decrease from 1932 of 6 percent in the average number of hours worked per week.

Taking the industry as a whole, and using estimated figures available, it shows total wage earners for 1931 of 22,840. The estimated figure for 1933 is approximately 20,000, which includes the effects of the P.R.A. The 1934 production will be substantially under 1931, which necessarily affects employment.

#### SMALL MILLERS

In number, this industry is made up in part largely by the so-called "small millers", which is evidenced by the fact that in the South small millers account for 793 plants, and in the North 1,735 plants, or a total of 2,528, the majority of which are located in small towns.

This Code provides the following protection to the smaller miller:

1. Liberal maximum hours as compared with those of the large miller.

2. The minimum wage scale established in the Code is on a population basis, graduating from 45 cents per hour in towns of over 500,000 population to 37½ cents per hour in towns under 2,500 population, which, in reality, favors the small miller for the reason that of the total 2,528 small mills, 75 to 80 percent are located in small towns.

3. This Code also provides for a 5 cent Southern differential, which assists the small miller in the South.

4. In the trade-practice provisions of this Code, a 50 cent per barrel stop-loss is provided for, which is regarded by the small miller as a protection to him.

#### ADMINISTRATION

The Code sets up a temporary Code Authority of fifteen members, each one from a different region, thus ensuring equitable geographical representation. Within sixty days from the effective date of the Code, the temporary Code Authority is to make recommendations as to a plan for the selection of a permanent Code Authority. Provision is also made in this Code to take care of the necessary expenses of the Code Authority in its administration of the Code.

#### PROVISIONS AS TO HOURS

For the purpose of prescribing maximum hours, the Code classified mills into A, B, and C groups as follows:

A. Mills having a twenty-four (24) hour capacity of three hundred (300) barrels or more.

B. Mills operated by more than three (3) workers (whether such workers are executives, proprietors, partners, persons not receiving monetary wages, or others) but having a twenty-four (24) hour capacity of less than three hundred (300) barrels.

C. Mills operated by three (3) such workers or less of all classes as defined in paragraph B above.

No clerical, accounting, or office employee of any mill classified as "A" or "B" shall be permitted to work in excess of forty (40) hours in any one week, except that during any thirteen (13) weeks' period

such employees may be permitted to work not to exceed forty-eight (48) hours in any one week thereof.

No clerical, accounting, or other office employee of any mill classified as "C" shall be permitted to work in excess of forty-eight (48) hours in any one week, averaged over a four (4) months' period.

No other employee of any mill classified as "A" shall be permitted to work in excess of forty (40) hours in any one week for thirty-nine (39) weeks and forty-eight (48) hours in any one week for any thirteen (13) weeks of the calendar year.

As an alternate to the above, such employees may be permitted to work not to exceed forty-two (42) hours regularly in each week of said calendar year.

No other employee of any mill classified as "B" shall be permitted to work in excess of forty-four (44) hours in any one week, except that during any six (6) weeks in each calendar year such employees may be permitted to work not exceeding forty-eight (48) hours in any one week.

No other employee of any mill classified as "C" shall be permitted to work in excess of forty-eight (48) hours in any one week, averaged over four (4) months.

The maximum hours prescribed in the above paragraphs are subject to certain exceptions among which are the following:

(a) Grain handlers may be permitted to work not in excess of forty-eight (48) hours in any one week.

(b) Truck drivers may be permitted to work not in excess of forty-eight (48) hours in any one week.

(c) Where continuity of operation is indispensable employees may be permitted to work as long as it may be necessary to complete the operation or until they can be replaced.

(d) Managerial employees may be permitted to work in excess of the maximum hours provided they receive not less than certain specified weekly wages.

(e) Outside salesmen.

(f) Employees engaged in maintenance or emergency repair work.

(g) Firemen may be permitted to work not more than forty-eight (48) hours per week.

(h) Watchmen may be permitted to work not to exceed fifty-six (56) hours per week.

#### PROVISIONS AS TO WAGES

Minimum wage rates are as follows:

(a) Office employees:

\$16.00 per week in cities of over 500,000 population.

\$15.00 per week in cities of between 250,000 and 500,000 population.

\$14.00 per week elsewhere.

(b) Other male employees:

45¢ per hour in cities of over 500,000 population.

42½¢ per hour in cities of between 250,000 and 500,000 population.

40¢ per hour in cities of between 2,500 and 250,000 population.

37½¢ per hour elsewhere.

(c) Other female employees:

30¢ per hour, provided that the hourly rate paid this class of workers shall in no event be less than the rate paid to such workers on June 15, 1933.

The Code provides that female employees performing substantially the same work as male employees shall receive the same rate of pay as male employees.

This Code prohibits the employment of any person under sixteen (16) years of age and under eighteen (18) years of age at occupations hazardous and/or detrimental to health.

This Code also provides for the necessary overtime safeguard, a six-day week, posting of labor provisions, and safety and health of employees.


#### COMPLIANCE WITH MANDATORY PROVISIONS

The Administrator finds that:

The Code as recommended complies in all respects with the pertinent provisions of Title I of the Act, including without limitations, section 7 (a) and section 10 (b) of the Act.

Accordingly, I recommend the approval of the Code of Fair Competition for the Wheat Flour Milling Industry to the extent of my jurisdiction as stated in your Executive Order of June 26, 1933.

Respectfully,

  
Administrator.

JUNE 4, 1934.



# CODE OF FAIR COMPETITION FOR THE WHEAT FLOUR MILLING INDUSTRY

## ARTICLE I—PURPOSES

To effectuate the policies of Title I of the National Industrial Recovery Act, this Code is established as a Code of Fair Competition for the Wheat Flour Milling Industry, and its provisions shall be the standards of fair competition for such industry and shall be binding upon every member thereof.

## ARTICLE II—DEFINITIONS

SECTION 1. The term "wheat flour milling industry" means the business of grinding wheat for the purpose of manufacturing and/or sale of wheat flour and millfeed.

SEC. 2. The term "member of the industry" includes without limitation, any individual, partnership, corporation, association, or any other form of enterprise engaged in the industry, either as an employer or on his or its own behalf.

SEC. 3. The term "wheat flour" means wheat flour, whole wheat flour, and all prepared flour (when manufactured by a member of the industry), durum flour, semolina, and/or farina.

SEC. 4. The term "millfeed" means the byproducts resulting from the manufacture of "wheat flour."

SEC. 5. The term "President" means the President of the United States.

SEC. 6. The terms "Act", "Secretary", and "Administrator", as used herein, mean respectively Title I of the National Industrial Recovery Act; the Secretary of Agriculture, or his duly appointed agent; and the Administrator for Industrial Recovery, or his duly appointed agent.

SEC. 7. The term "person" means any individual, partnership, corporation, association, or any other business unit.

SEC. 8. The term "subsidiary", when used in relation to another person, means any person over whom such other has, either directly or indirectly, actual or legal control, whether by stock ownership or in any other manner.

SEC. 9. The term "affiliate", when used in relation to another person, means any person who has, either directly or indirectly, actual or legal control over such other person whether by stock ownership or in any other manner, or who is under the ownership or control of the same interests as such other person.

SEC. 10. The term "broker" means any independent sales representative who performs the services of negotiating the sale of the products of the industry for and on account of the seller as prin-

cial, and whose compensation is a commission or brokerage paid by the seller.

SEC. 11. The term "employer" means any member of the industry by whom any employee or person is compensated or employed.

SEC. 12. The term "employee" means anyone engaged in the industry, however compensated, except a member of the industry and except brokers.

SEC. 13. The term "outside salesmen" means any and all employees working outside of the employer's establishment whose principal function is selling.

SEC. 14. The term "watchmen" means employees whose principal function is watching and guarding the premises and property of their employers' establishments.

SEC. 15. For the purposes of article III of this Code, the term "capacity" means that number of barrels per milling unit arrived at by dividing the actual output by the machine hours of operation for the six months from July 1, 1933, to December 31, 1933, and multiplying by 24, or in the event that the mill did not operate during the stated period, then the last six-month period in which it operated at all shall be used. In the case of multiple units in the same plant location, the capacity of each unit shall be determined as provided above and the combined capacities of all such units shall be considered the capacity of the plant.

SEC. 16. The term "legal holidays" means Washington's Birthday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas.

SEC. 17. The term "day" means any period of twenty-four hours, beginning at six, seven, or eight a.m. of any day and ending twenty-four hours respectively thereafter.

SEC. 18. The term "Millers' National Federation" means an association under that name constituting a national trade organization of the wheat flour milling industry of the United States.

SEC. 19. The term "Code Authority" means the Wheat Flour Millers' Code Authority, established pursuant to article VI, section 1 of the Code.

SEC. 20. Population shall be determined by reference to the latest Federal census.

### ARTICLE III—HOURS

SECTION 1. For the purposes of this article, "mill" is defined as a milling unit or combination of milling units at the same plant location, and shall be classified as follows:

A. Mills having a twenty-four (24) hour capacity of three hundred (300) barrels or more.

B. Mills operated by more than three (3) workers (whether such workers are executives, proprietors, partners, persons not receiving monetary wages, or others) but having a twenty-four (24) hour capacity of less than three hundred (300) barrels.

C. Mills operated by three (3) such workers or less of all classes as defined in paragraph B of this section.

SEC. 2. (a) No clerical, accounting, or office employee of any mill classified as "A" or "B" in section 1 shall be permitted to work in

excess of forty (40) hours in any one week or eight (8) hours in any one day, except that during any thirteen (13) weeks of the calendar year, such employees may be permitted to work not to exceed ten (10) hours in any one day or forty-eight (48) hours in any one week thereof.

(b) No clerical, accounting, or other office employee of any mill classified in section 1 as "C" shall be permitted to work in excess of forty-eight (48) hours in any one week, averaged over a four months' period.

SEC. 3. (a) No other employee of any mill classified as "A" in section 1 shall be permitted to work in excess of forty (40) hours in any one week for thirty-nine (39) weeks and forty-eight (48) hours in any one week for any thirteen (13) weeks of the calendar year, nor shall such employees be permitted to work more than eight (8) hours in any one day except with payment of not less than time and one-third normal rate for all time in excess of eight (8) hours, but in no event shall such employees be permitted to work more than ten (10) hours in any one day.

(b) As alternate to the above, such employees may be permitted to work not to exceed forty-two (42) hours regularly in each week of said calendar year, but they shall not be permitted to work more than eight (8) hours in any one day except if paid not less than time and one-third for all time in excess of such eight (8) hours, and in no event shall such employees be permitted to work more than ten (10) hours in any one day.

(c) Subject to the exceptions hereinafter set forth, subdivision (a) and (b) of this section shall not be construed to permit the employment of any employee more than 2,184 hours in any calendar year. When one or more employees are employed in succession on the same job, the total hours worked on such job by all such employees shall not exceed 2,184 in any calendar year.

(d) No other employee of any mill classified as "B" in section 1 shall be permitted to work in excess of forty-four (44) hours in any one week or ten (10) hours in any one day, except that during any six (6) weeks in each calendar year such employees may be permitted to work not exceeding forty-eight (48) hours in any one week, provided, however, that compensation for all hours worked in excess of forty-four (44) in any one week shall be paid at not less than time and one-third normal rate.

(e) No other employee of any mill classified as "C" in section 1 shall be permitted to work in excess of forty-eight (48) hours in any one week, averaged over four (4) months, nor in excess of ten (10) hours in any one day, except with payment of not less than time and one-third the normal rate for all hours worked in excess of such ten (10) hours.

SEC. 4. *Exceptions.*—The maximum hours in sections 2 and 3 of this article shall be subject to the following exceptions:

(a) Grain handlers may be permitted to work not in excess of forty-eight (48) hours in any one week or ten (10) hours in any one day.

(b) Engineers, bolters, grinders, millwrights, beltmen, electricians, plumbers, and their immediate assistants necessary in repair,

maintenance, and clean-up operations, may be permitted to work not more than four (4) hours in any one week in excess of the prescribed maxima.

(c) Truck drivers, helpers, and dispatchers may be permitted to work not in excess of forty-eight (48) hours in any one week: *Provided, however*, That the hours of labor of long haul drivers (driving two hundred miles or over) shall be subject to the conditions stated in the Code of Fair Competition for the Trucking Industry.

(d) Where continuity of operation is indispensable, (i.e. where interruption would result in spoilage, waste, or economic loss), then, during the absence of other competent employees to carry on such operation, those already engaged therein may be permitted to continue therewith so long as may be necessary to complete the operation or until they can be replaced; but in no event shall any such employees be permitted so to work more than twice in any one week nor more than eight extra hours on any such occasion.

(e) Employees engaged in loading or unloading boats, may be permitted to work in excess of eight (8) hours in any one day: *Provided*, That not less than time and one-third shall be paid for all hours worked over eight (8) in any one day.

(f) Watchmen, when not performing any operating duties, may be permitted to work seven (7) days each week, but not more than fifty-six (56) hours in each week.

(g) Firemen may be permitted to work not more than forty-eight hours in any one week.

(h) Managerial, executive, and technical employees including chemists, chief engineers, mill superintendents, head and foreman millers, may be permitted to work in excess of the hours set forth herein: *Provided, however*, They regularly receive compensation at not less than the following schedule:

\$35.00 per week in cities of 250,000 population or more or within the immediate trade areas thereof;

\$30.00 per week in places of less than 250,000 population, and more than 2,500 population or within the immediate trade areas thereof; or in any Class "A" mill in a place of less than 250,000 population;

\$25.00 per week elsewhere, provided that this exemption shall apply only to mills classified as "B" and "C" in section 1.

(i) Employees engaged in emergency repair work on breakdowns involving protection of life and property may be permitted to work excess hours over their respective schedules if paid at least time and one-third for such excess hours. Such excess hours shall be reported to the Code Authority monthly.

(j) The provisions of this article shall not apply to outside salesmen.

SEC. 5. No employer shall knowingly engage any employee for any time which, when totaled with that performed with another employer or employers, in this industry or otherwise, exceeds the maximum permitted herein for any one day or any one week.

SEC. 6. No mill employee, except a watchman, shall be permitted to work more than six (6) days in any seven (7) day period or on legal holidays except upon payment at a rate of not less than one and one-third of his normal hourly rate, but in no event shall any employee be permitted to work in excess of the maximum hours prescribed in this article.

## ARTICLE IV—WAGES

SECTION 1. No clerical, accounting or other office employee shall be paid less than at the following rates:

	<i>Per week</i>
In cities of 500,000 population or more, or in the immediate trade areas thereof.....	\$16.00
In cities of between 250,000 and 500,000 population, or in the immediate trade areas thereof.....	15. 00
Elsewhere.....	14. 00

except that office boys and messengers may be paid not less than at a rate of \$2.00 below the above minima: *Provided*, That where more than one such office boy or messenger is employed, the number of such employees shall not exceed 10 percent of the total number of office employees of any employer.

SEC. 2. No male employee, other than clerical, accounting, or other office employees, shall be paid less than at the following rates:

	<i>Cents per hour</i>
In cities of over 500,000 population, or in the immediate trade areas thereof.....	45
In cities of between 250,000 and 500,000 population, or in the immediate trade areas thereof.....	42½
In places of between 2,500 and 250,000 population, or in the immediate trade areas thereof.....	40
Elsewhere.....	37½

SEC. 3. Employees specified in section 2 of this article may be paid not less than at a rate of five cents (5¢) per hour below the minima therein prescribed in the following States: Georgia, Florida, Alabama, Mississippi, Tennessee, Kentucky, Virginia, West Virginia, North Carolina, South Carolina, Texas, Oklahoma, Arkansas, and Louisiana.

SEC. 4. The minimum rate paid to women employed in light work, such as packaging and sewing, shall be thirty cents (30¢) per hour, provided that the hourly rate paid this class of workers shall in no event be less than the rate paid to such workers on June 15, 1933. Female employees performing substantially the same work as male employees shall receive the same rate of pay as male employees.

SEC. 5. This Code establishes a minimum rate of pay regardless of whether the employee is compensated on a basis of time-rate or piece-work performance or otherwise.

SEC. 6. The minimum schedule of wage rates set forth in section 2 of this article shall be for the lowest paid classes of workers, and wage rates for other classes of workers shall be adjusted with relation to the above specified minima so as to maintain not less than the differentials of pay in cents per hour prevailing between various classes of employees on June 15, 1933: *Provided*, That such readjustment does not result in reducing the rate per hour of any class of workers.

SEC. 7. A person whose earning capacity is limited because of age or physical or mental handicap, or other infirmity, may be employed on light work at a wage below the minimum established by this Code, if the employer obtains from the State authority, designated by the United States Department of Labor, a certificate

authorizing such person's employment at such a wage and for such hours as shall be stated in the certificate. Such authority shall be guided by the instructions of the United States Department of Labor in issuing certificates to such persons. Each employer shall file monthly with the Code Authority a list of all such persons employed by him showing the wages paid to and the maximum hours of work for such employees.

SEC. 8. Wages shall be exempt from fines, assessments, charges, or deductions, except for employees' voluntary contributions for pensions, insurance, or benefit plans and for repayments of wages advanced or for payment of merchandise purchased from the employer. No employer may otherwise withhold wages except upon service of legal process or other papers lawfully requiring such withholding.

SEC. 9. Employers shall make payment of all wages due, in lawful currency or by negotiable checks, payable on demand. All contracts of employment shall prescribe payment of wages at least twice a month.

#### ARTICLE V—GENERAL LABOR PROVISIONS

SECTION 1. (a) Employees shall have the right to organize and bargain collectively, through representatives of their own choosing, and shall be free from the interference, restraint, or coercion of employers of labor, or their agents, in the designation of such representatives or in self-organization, or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection.

(b) No employee and no one seeking employment shall be required as a condition of employment to join any company union or to refrain from joining, organizing, or assisting a labor organization of his own choosing.

(c) Employers shall comply with the maximum hours of labor, minimum rates of pay, and other conditions of employment approved or prescribed by the President.

SEC. 2. No person under sixteen (16) years of age shall be employed in the industry. No person under eighteen (18) years of age shall be employed at operations or occupations which are hazardous in nature or dangerous to health. The Code Authority shall submit to the Administration within ninety (90) days after the effective date of this Code a list of such operations or occupations. In any State an employer shall be deemed to have complied with this provision as to age if he shall have on file a certificate or permit duly issued by the authority in such State empowered to issue employment or age certificates showing that the employee is of the required age.

SEC. 3. No employer shall change the method of payment of employee's compensation or reclassify employees or duties of occupations performed or discharge employees for the purpose of reemploying them at lower rates or engage in any other subterfuge for the purpose of defeating the purposes or provisions of the Act or of this Code.

SEC. 4. No provision in this Code shall supersede any State or Federal law which imposes on employers more stringent requirements

as to age of employees, wages, hours of work, or as to safety, health, sanitary, or general working conditions, or insurance, or fire protection, than are imposed by this Code.

SEC. 5. All employers shall post and keep posted copies of articles III, IV, and V of this Code in conspicuous places accessible to all employees. Every member of the industry shall comply with all rules and regulations relative to the posting of provisions of Codes of Fair Competition which may from time to time be prescribed by the Administrator.

SEC. 6. Every employer shall provide for the safety and health of employees during the hours and at the places of their employment.

SEC. 7. Standards for safety and health shall be submitted by the Code Authority to the Administrator within six (6) months after the effective date of the Code.

## ARTICLE VI—ORGANIZATION, POWERS, AND DUTIES OF THE CODE AUTHORITY

SECTION 1. *Code Authority*.—A Code Authority consisting of not more than fifteen members of the industry shall be constituted forthwith upon the approval of this Code in the following manner:

(a) The following fifteen members of the industry, approved by the Secretary and the Administrator, shall function immediately as the Code Authority until their successors are selected in accordance with the provisions of paragraph (b) of this section:

Fred J. Lingham, Chairman	Lockport, N.Y.
Jess B. Smith, Vice Chairman	Salina, Kans.
Sydney Anderson	Minneapolis, Minn.
Fred Borries	Louisville, Ky.
J. P. Burrus	Dallas, Tex.
Edgar H. Evans	Indianapolis, Ind.
O. D. Fisher	Seattle, Wash.
W. C. Helm	Minneapolis, Minn.
George E. Hineke	Kansas City, Mo.
C. C. Hine	Los Angeles, Calif.
Frank Hutchinson	Lawrenceburg, Ind.
R. Ward Magill	Wichita, Kans.
Alfred E. Mallon	Minneapolis, Minn.
Gaynor E. O'Brien	Greenville, Ohio
Hunton Tiffany	Manassas, Va.

(b) The Code Authority shall, within sixty days from the effective date of this Code, make recommendations as to a plan for the selection of a permanent Code Authority. When such plan is approved by the Secretary and the Administrator, the Code Authority so selected shall replace the Code Authority appointed in paragraph (a) of this section.

(c) In addition to membership as above provided, the Secretary and the Administrator may each appoint one member without vote and without expense to the industry to serve for such term as they may specify.

(d) Any trade or industrial association, directly or indirectly, participating in the selection or activities of the Code Authority shall (1) impose no inequitable restrictions on membership, and (2) submit to the Secretary and the Administrator true copies of

its articles of association, bylaws, regulations, and any amendments when made thereto, together with such other information as to membership, organization, and activities as the Secretary or the Administrator may deem necessary to effectuate the purposes of the Act.

(e) In order that the Code Authority shall at all times be truly representative of the industry, the Secretary or the Administrator may prescribe such hearings as he may deem proper and thereafter, if he shall find that the Code Authority is not truly representative, the Code Authority shall make such modifications of the method of selecting the members of the Code Authority, subject to the disapproval of the Secretary and the Administrator, as will make the Code Authority truly representative of the industry. The foregoing shall not, however, be construed to give the Secretary and/or the Administrator power to appoint, or to require the appointment of, particular members of the industry to the Code Authority, or to deprive the industry acting through representatives of its own choosing, of the right to select the said members of the Code Authority.

(f) It being found necessary, in order to support the administration of this Code and to maintain the standards of fair competition established by this Code and to effectuate the policy of the Act, the Code Authority is authorized:

(1) To incur such reasonable obligations as are necessary and proper for the foregoing purposes and to meet such obligations out of funds which may be raised as hereinafter provided and which shall be held in trust for the purposes of the Code;

(2) To submit to the Secretary and the Administrator for their approval, subject to such notice and opportunity to be heard as they may deem necessary, (1) an itemized budget of its estimated expenses for the foregoing purposes, and (2) an equitable basis upon which the funds necessary to support such budget shall be contributed by members of the industry;

(3) After such budget and basis of contribution have been approved by the Secretary and the Administrator, to determine and secure equitable contribution as above set forth by all such members of the industry, and to that end, if necessary, to institute legal proceedings therefore in its own name.

(g) Only members of the industry complying with the Code and contributing to the expenses of its administration as provided in paragraph (f) hereof shall be entitled to participate in the selection of the members of the Code Authority or to receive the benefit of its voluntary activities or to make use of any emblem or insignia of the National Recovery Administration.

(h) In the event of any vacancy on the Code Authority, the remaining members shall have the power to fill such vacancy.

(i) Nothing contained in this Code shall constitute the members of the Code Authority partners for any purpose; nor shall any member of the Code Authority be liable in any manner to anyone for any act of any other member, officer, agent, or employee of the Code Authority; nor shall any member of the Code Authority exercising reasonable diligence in the conduct of his duties hereunder,

be liable to anyone for any action or omission to act under this Code, except for his own wilful malfeasance or nonfeasance.

(j) If the Secretary or the Administrator shall determine as to matters subject to their respective jurisdiction that any action of the Code Authority or any agency thereof may be unfair, or unjust, or contrary to the public interest, the Secretary or the Administrator, as the case may be, may require that such action be suspended to afford an opportunity for investigation of the merits of such action and further consideration by such Code Authority or agency pending final determination which shall not be effective unless the Secretary or the Administrator approves, or unless he shall fail to disapprove after thirty days' notice to him of intention to proceed with such action in its original or modified form.

(k) The Code Authority, if it so desires, may be a body incorporated not for profit.

SEC. 2. *Powers and duties.*—(a) The Code Authority shall be the recognized agency of the wheat flour milling industry for the purpose of administering the provisions of this Code, and to that end shall cooperate with the Secretary and the Administrator and/or other officials authorized to administer the National Industrial Recovery Act. In carrying out said functions, the Code Authority is empowered to create subcommittees of its own members, to employ and/or utilize persons or agencies, including national and regional agencies and officers, to define their authority, and to set up or utilize such other machinery and organization, and prescribe such rules of procedure as it deems necessary, provided that it shall not be relieved of its duties and responsibilities hereunder. Any such persons, committees, or agencies shall at all times be subject to and comply with the provisions hereof.

(b) In all matters relating to the administration of the provisions of this Code, except those relating to hours of labor, rates of pay, and other conditions of employment (except as the jurisdiction of the Secretary and the Administrator may hereafter be changed pursuant to order of the President), the Code Authority shall have the following powers and duties, the exercise of which shall be reported to the Secretary:

(1) To insure to the best of its ability the execution of the provisions of this Code and to provide for the compliance of the industry with the provisions of the Act, subject to such rules and regulations as may be issued by the Secretary.

(2) To adopt bylaws and rules and regulations for its procedure.

(3) To obtain from members of the industry such information and reports as may be necessary for the administration of this Code by the Code Authority and the performance of its powers and duties hereunder. Such individual reports shall remain confidential with the Code Authority or its agents, except as may be directed by the Secretary.

(4) To make recommendations to the Secretary for the coordination of the administration of this Code with such other codes, if any, as may be related to the industry or affect members of the industry.

(5) To recommend to the Secretary any action or measures deemed advisable, including fair trade practice provisions, to govern members of the industry in their relations with each other or with other industries, and measures for industrial planning.

(c) In all matters relating to the administration of the provisions of this Code relating to hours of labor, rates of pay, and other conditions of employment (except as the jurisdiction of the Secretary and the Administrator may hereafter be changed pursuant to the order of the President) the Code Authority shall have the following powers and duties, subject to such rules and regulations with respect thereto as the Administrator may from time to time prescribe.

(1) To the best of its ability to insure the execution of the provisions of this Code and to provide by investigation of suspected violations or otherwise for the compliance by the industry and members thereof with the provisions of the Act.

(2) To adopt bylaws and rules and regulations for its procedure.

(3) To obtain from members of the industry such information and reports as may be necessary for the administration of this Code by the Code Authority and the performance of its powers and duties hereunder. No such individual reports shall be disclosed to any other member of the industry or to any other party except to such other governmental agencies as may be directed by the Administrator.

(4) To use such trade associations and other agencies as it deems proper for the carrying out of any of its activities provided for herein, provided that nothing herein shall relieve the Code Authority of its duties or responsibilities under this Code, and that such trade associations and agencies shall at all times be subject to and comply with the provisions hereof.

(5) To make recommendations to the Administrator for the coordination of the administration of this Code with such other codes, if any, as may be related to the industry or affect members of the industry.

(6) To recommend to the Administrator any action or measures deemed advisable in connection with industrial planning and stabilization of employment.

## ARTICLE VII—UNFAIR METHODS OF COMPETITION

SECTION 1. *Rebates.*—The sale by any member of the industry of wheat flour and/or millfeed shall be made at a definite or fixed price, which shall be specified in the contract. The direct or indirect payment or allowance by a member of the industry to the buyer of any rebate, refund, or unearned commission or discount, whether in the form of money or otherwise; or extending to any buyer special services or privileges not extended to all buyers under like terms and conditions; or purchasing from buyers any product or supplies at more than the current market price; or giving to the buyer any trade inducement which has the effect of reducing the contract price, is prohibited.

SEC. 2. *Payments of commission to buyers.*—(a) No member of the industry shall employ a broker or other person to act as his agent in the sale of wheat flour and/or millfeed, except on the condition that such broker or other agent shall not pay or allow all or any part of his commission or compensation to the buyer, directly or indirectly.

(b) No member of the industry shall pay, promise to pay or supply to any person or to any agent, employee, nominee, intermediary, subsidiary, or affiliate of such person, any money, gratuity, or other consideration in any form whatsoever for the purpose of inducing or influencing the purchase from such member of the industry of wheat flour and/or millfeed; nor shall any member of the industry pay or allow any brokerage, commission, or other form of sales compensation to any buyer of wheat flour and/or millfeed, provided that the customary commission or brokerage may be paid by a member of the industry to his bona fide broker or agent for the sale of his product.

(c) The term "buyer" as used in this article shall be deemed to include any subsidiary, affiliate, agent, or other representative of a buyer.

SEC. 3. *Unearned service payments.*<sup>1</sup>—No member of the industry shall pay a buyer directly or indirectly for any advertising or other sales promotion service.

SEC. 4. *Premiums, etc.*<sup>1</sup>—The giving or offering by any member of the industry in connection with the sale of wheat flour and/or millfeed, of any premium or of any coupon or similar device, which is redeemable in cash or merchandise, or the giving or offering of prizes in connection with contests or otherwise, is prohibited: *Provided, however,* That members who have on hand at the effective date of this Code premiums or prizes purchased for the purpose of distribution in connection with the sale of wheat flour and/or millfeed, may continue to use same until their present supply is exhausted, but in no event shall such use be continued after November 1, 1934.

SEC. 5. *Waiving charges.*—The waiver, cancellation, refund, or failure to collect or attempt to enforce the collection of any charge specified in any contract for the sale of wheat flour and/or millfeed by any member of the industry, is prohibited. The cancellation, termination, or re-writing of the contract without full compensation for loss resulting from market decline and/or other cause, or the cancellation or re-writing of the contract for the purpose or with the effect of avoiding the accrual or collection of any carrying charge or otherwise rebating any part of the contract price, is prohibited. The provisions of this section shall apply to unfilled contracts in existence at the time the Code becomes effective as well as to contracts entered into thereafter, except that any such charges may be waived by a member of the industry on contracts existing on the date this Code becomes effective, but only for a period not to exceed 90 days from such date.

SEC. 6. *Guaranty against decline.*—The guaranty by any member of the industry against decline from the price specified in any contract for the sale of wheat flour and/or millfeed is prohibited.

<sup>1</sup> See last paragraph of Executive order, pages III–IV.

SEC. 7. *Fictitious and discriminatory prices.*—No member of the industry shall either (a) quote a fictitious price or (b) invoice a false price or (c) make any price statement or representation or claim for the purpose of and/or having the effect of misleading or deceiving a purchaser or to unfairly injure a competitor or (d) pursue locality price discrimination for the purpose of and/or having the effect of unduly injuring competitors.

SEC. 8. *Time limitation.*—No member of the industry shall quote, sell or offer for sale any wheat flour for shipment and/or delivery at a date or dates later than 90 days from the date of the contract or agreement respecting such sale.

## ARTICLE VIII—MARKETING PROVISIONS

SECTION 1. *Flour sales contract provisions.*—Each contract for the sale by members of the industry of wheat flour shall include the following provisions:

(a) *Provision for package, self-rising, and phosphated flour differentials.*—A provision requiring that packing charge or flour package differentials, self-rising and phosphated flour differentials prescribed and published by the Millers' National Federation, and in effect at the time the contract is entered into, shall govern in the settlement and fulfillment of the contract.

(b) *Provisions relative to time of shipment and carrying charges.*—A provision stating in substance and effect that the wheat flour therein contracted for shall be shipped by the member of the industry on some date or dates, or within a period, which shall not be later than 90 days from the date of the contract, or that the buyer shall furnish the member of the industry with shipping directions so that shipment can be made by the member of the industry on a date or dates, or within a period, not later than 90 days from the date of the contract, and that if by reason of any act, request, omission, default or fault of the buyer, shipment is made after the time so originally limited in said contract (which must be not more than 90 days from the date of the contract) the buyer shall pay to the member of the industry carrying charges, in addition to the contract price, at the rate of  $\frac{1}{3}$  cent per barrel of flour for each day that shipment is deferred or delayed beyond the time originally limited in the said contract. Said carrying charge shall in no event be included in the contract price, but the contract shall specify the rate of such carrying charge and the accruals from such charge shall be shown on each invoice as a separate and distinct item in addition to the contract price. The date of contract as used in this section shall be deemed to be the date on which agreement is arrived at between the member of the industry and the buyer respecting the sale of wheat flour.

SEC. 2. *Millfeed sales contract provisions.*—Each contract for the sale by members of the industry of millfeed shall include a provision for a carrying charge, which shall be paid by the buyer to the member of the industry at the rate of twenty-five cents per ton for each fifteen days or proportion thereof that shipment is deferred by reason of any act, request, omission, default, or fault of the buyer, beyond the period specified for shipment in the contract. To the in-

voice price on all sales of millfeed there shall be added separate items to cover processing and floor stocks taxes on containers, and any State tonnage or per bag taxes, or similar tonnage charges, levied on members of the industry by the various States into which shipment is made. The date of contract as used in this section shall be deemed to be the date on which agreement is arrived at between the member of the industry and the buyer respecting the sale of millfeed.

SEC. 3. *Contract provisions required.*—The sale by any member of the industry of wheat flour under any form of contract that does not include in substance and effect the provisions required by section 1 of this article, and/or the sale by any member of the industry of millfeed under any form of contract that does not include in substance and effect the provisions required by section 2 of this article, shall be deemed to be an unfair practice and is hereby prohibited.

SEC. 4. *Shipments to buyer without definite price prohibited.*—The shipment or delivery by any member of the industry to any buyer or agent of a buyer, of wheat flour and/or millfeed on which a definite and final price has not been made prior to time of shipment by such member of the industry is hereby prohibited.

SEC. 5. *Signature of both buyer and seller.*—Each contract for the sale by any member of the industry of wheat flour and/or millfeed shall be signed by both the buyer and the seller: *Provided*, That this requirement may be waived by a member of the industry as to any sale of wheat flour in the amount of fifty barrels or less or to any sale of millfeed in the amount of ten tons or less or when sale is for shipment within seven days.

#### ARTICLE IX—DESTRUCTIVE PRICE PROVISIONS<sup>1</sup>

SECTION 1. *Destructive price cutting prohibited.*—Destructive price cutting is declared to be an unfair practice and is hereby prohibited.

SEC. 2. Sale below stop-loss basis is declared to be destructive price cutting and is prohibited.

(a) The sale, or offer for sale, or the invoicing by any member of the industry of wheat flour at a price which yields a return less than the stop-loss basis bulk f.o.b. mill, determined as hereinafter provided, is an unfair practice and is hereby prohibited.

SEC. 3. *Determination of stop-loss basis.*

A. *Straight flour.*—The stop-loss basis, bulk f.o.b. mill, of a barrel of "straight" flour sold or offered for sale by any member of the industry shall be determined as follows:

(1) Include the cost of 4.6 bushels of wheat of the classes, types, and grades required to make the barrel of flour sold or offered for sale, at the current car-lot price of such wheat at the mill on the date of sale plus the processing tax, if any. In any area where, on account of freight-rate structures, it is not practicable to use the current car-lot price at the mill, there shall be used instead a price of such wheat adjusted to such freight-rate structures and practices as may be approved by the Code Authority: *Provided, however*, That such adjustments shall be made to determine the actual cost of the wheat.

<sup>1</sup> See last paragraph of Executive order, pages III–IV.

(2) Subtract from said amount the current market value in car lots at the mill of 76 pounds of mill run bulk feed (80 pounds less 4 pounds invisible loss).

(3) Add a further amount to be determined by the Code Authority which shall not exceed fifty (50) cents per barrel. Upon request of the Code Authority, or upon the Secretary's own motion, and after due notice and public hearing, such maximum may be changed by the Secretary.

*B. Patent and other grades.*—(1) The stop-loss basis of a barrel of patent flour, bulk f.o.b. mill, shall be the amount arrived at by deducting from the stop-loss basis of a barrel of the straight flour, from which such patent flour is made, not more than the market value, bulk f.o.b. mill, of the grades other than patent flour produced, and dividing the resulting figures by the percentage representing the proportion of patent flour made. If patent flour is divided into two or more parts, the stop-loss basis of the aggregate of such parts shall be not less than the stop-loss basis of the patent flour from which they are derived.

(2) The stop-loss basis of a barrel of blended flour, bulk f.o.b. mill, shall be the sum of the proportions of the stop-loss bases of the component flours contained therein.

(3) The stop-loss basis of a barrel of whole wheat flour, bulk f.o.b. mill, shall be the sum of the items set forth in paragraphs (1) and (3) of subdivision A of section 3 of this article, except that the minimum amount of wheat required shall be 200 pounds instead of 4.6 bushels.

*C. Semolina.*—The Code Authority may appoint a special committee, consisting of members of the industry who mill durum wheat, to recommend a method of determining a stop-loss basis for semolina. Such recommendation, when approved by the Code Authority, shall be submitted to the Secretary for his approval. Such recommendation, when approved by the Secretary shall have the same force and effect as any other provision of this Code.

*D. Phosphated or self-rising flour.*—To arrive at the stop-loss basis per barrel of phosphated or self-rising flour, there shall be added to the stop-loss basis bulk f.o.b. mill of a barrel of plain flour of the same kind and grade on the date of sale, the phosphated and/or self-rising flour differentials prescribed and published by the Millers' National Federation and in effect at the time the flour is sold or offered for sale.

*E. Flour in bags.*—To arrive at the stop-loss basis of a barrel of flour in bags, f.o.b. mill, there shall be added to the stop-loss basis of such flour in bulk, determined as above provided, the cost of two 98-pound cotton bags at their current market price in thousand-bag lots, and, if in other than 98-pound cotton bags, there shall be added or subtracted, as the case may be, an amount determined by applying the Millers' National Federation package differentials in effect at time of contract.

To arrive at the stop-loss basis when bags are furnished by buyer, the packing charge set forth in the flour package differential schedule issued by the Millers' National Federation in effect at the time of contract of sale, shall be added to the stop-loss basis of such flour in bulk.

## ARTICLE X—EXEMPTIONS

SECTION 1. *Package goods.*—The provisions of this Code shall not apply to the preparation (except the milling of wheat flour), sale or offer for sale by any member of the industry of pancake flour, prepared biscuit flour, cereal foods, or cake flour (when so labeled) in packages of 5 pounds or less, provided that none of said articles shall be used either by their gift or sale at a reduced price, as an inducement to effect the sale of any wheat flour and/or millfeed: *Provided, however,* That the Millers' National Federation package differentials and/or packing charge in effect at the time of contract of sale shall be used insofar as applicable.

SEC. 2. *Exports.*—The provisions of this Code, with the exception of articles II, III, IV, and V shall not apply to transactions involving the shipment of wheat flour and/or millfeed for delivery outside the forty-eight states of the United States of America, the District of Columbia, Alaska, Hawaii, and Puerto Rico.

## ARTICLE XI—GENERAL

SECTION 1. *Modification.*—This Code and all the provisions thereof are expressly made subject to the right of the President of the United States, in accordance with the provisions of subsection (b) of section 10 of the Act, from time to time, to cancel or modify any order, approval, license, rule, or regulation issued under said Act.

SEC. 2. *Reports.*—The members of the industry shall severally, from time to time, upon the request of the Secretary (or the Administrator in the case of information relating to hours of labor, rates of pay, and other conditions of employment) furnish such information to such Federal and State agencies on and in accordance with forms of reports supplied to them (which reports shall be verified under oath, if required) as the Secretary or the Administrator may designate and require (1) for the protection of consumers, competitors, employees, and others, and in furtherance of the public interest, and (2) for the determination by the Secretary or the Administrator of the extent to which the declared policy of the Act is being effectuated by this Code.

Nothing in this Code shall relieve any person of existing obligations to furnish reports to government agencies.

No individual reports shall be disclosed to any other member of the industry or any other party except as may be directed by the Secretary or the Administrator.

SEC. 3. *Amendment.*—This Code, except as to provisions required by the Act, may be modified on the basis of experience or changes in circumstances, such amendments to be based upon application to the Secretary and/or Administrator and such notice and hearing as he shall specify, and to become effective on approval of the President.

SEC. 4. *Evasion.*—The evasion by a member of the industry of any provision of this Code through the use of any subsidiary, affiliate, or controlled corporation or agency, nominee or intermediary, or by any device or subterfuge whatsoever, including without limiting the generality of the foregoing prohibition, such practices as milling for

toll (other than farmer customers by what is known as exchange or custom grinding), or special leasing arrangements intended to, or having the effect of defeating any of the provisions contained in this Code, shall be deemed to be a violation thereof.

SEC. 5. *Monopolies, etc.*—No provision of this Code shall be so applied as to permit monopolies or monopolistic practices, or to eliminate, oppress, or discriminate against small enterprises.

SEC. 6. *Effective date.*—This Code shall become effective on the fourth day after its approval by the President.









